

1                               BEFORE THE  
2                               ILLINOIS COMMERCE COMMISSION

3                               EMERGENCY SPECIAL OPEN MEETING  
4                               (PUBLIC UTILITY)

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7                               Springfield, Illinois  
8                               Tuesday, April 12, 2011

9                               Met, pursuant to notice, at 11:15 a.m. in  
10                              the Audiovisual Conference Room, Second Floor, Leland  
11                              Building, 527 East Capitol Avenue, Springfield,  
12                              Illinois.

13  
14                              PRESENT:

15                              MR. DOUGLAS P. SCOTT, Chairman

16                              MS. LULA M. FORD, Commissioner  
                                    (Via teleconference)

17                              MS. ERIN M. O'CONNELL-DIAZ, Commissioner  
18                                      (Via teleconference)

19                              MR. SHERMAN J. ELLIOTT, Commissioner

20                              MR. JOHN COLGAN, Acting Commissioner

21                              SULLIVAN REPORTING COMPANY, by  
22                              Carla J. Boehl, Reporter  
                                    CSR #084-002710

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PROCEEDINGS

CHAIRMAN SCOTT: Pursuant to the provisions of the Illinois Open Meetings Act, I now convene an Emergency Special Open Meeting of the Illinois Commerce Commission. With me in Springfield are Commissioner Elliott and Acting Commissioner Colgan. With us in Chicago are Commissioner Ford and Commissioner O'Connell-Diaz. I am Chairman Scott. We have a quorum.

We have one item to consider at today's Emergency Special Open Meeting. This item is the consideration of price benchmarks for Ameren's capacity auction. Is there a motion to approve the benchmarks?

ACTING COMMISSIONER COLGAN: So moved.

CHAIRMAN SCOTT: Is there a second?

COMMISSIONER O'CONNELL-DIAZ: I have a question before we -- and is anybody from Staff there or am I allowed to ask a question as long as I stay out of numbers? Contained in the memo -- good morning, Richard.

MR. ZURASKI: Good morning.

1           COMMISSIONER O'CONNELL-DIAZ: On page 2 of the  
2 memo you mention that if we were to desire the  
3 procurement administrators to produce an alternative  
4 benchmark methodology, then in fact we don't have the  
5 time to do that due to delay in IPA in hiring the  
6 procurement administrators. Essentially the  
7 Commission's been robbed of an opportunity to improve  
8 on something if we chose to because we didn't have  
9 this material to us in a timely fashion.

10                   On a going forward basis how can we  
11 assure that that doesn't happen again? Because, I  
12 mean, these are the prices that people are paying.  
13 And if the Commission is not fully enamored with the  
14 results but we don't have any more time left to, you  
15 know, behind the scenes administrative stuff, that's  
16 concerning for me. I would imagine it is  
17 concerning -- I mean, you noted it, so it is a  
18 concern for the Commission. And how do we alleviate  
19 this problem on a going forward basis? Do you have  
20 any idea?

21           MR. ZURASKI: I don't think there is anything  
22 that the Commerce Commission can do to alleviate it

1     insofar as the IPA is an independent -- or I  
2     shouldn't say independent, but it is another Illinois  
3     agency under the executive branch. And the benchmark  
4     process really starts with the procurement  
5     administrator. Under the statute it has to start  
6     with the procurement administrator that the IPA  
7     hires. So unless they start hiring procurement  
8     administrators perhaps in a more timely fashion, I  
9     don't really see how we don't get into this problem  
10    either every year or every year that it is necessary  
11    to hire new procurement administrators.

12                   One thing that I was thinking about  
13    recently is perhaps we could have an administrative  
14    rule in place that sets forth a process for the  
15    hiring of procurement administrators, the  
16    justification being that the Commission has to  
17    approve the procurement administrators. And that's  
18    all well and good, but I don't know what happens if,  
19    notwithstanding that rule, there is, you know, a  
20    three, four months delay as we have been  
21    experiencing.

22                   COMMISSIONER O'CONNELL-DIAZ: Well, and it is

1 not against the procurement administrators. It is  
2 this opportunity for an alternative benchmark that we  
3 have been really kind of like denied that opportunity  
4 to do that again because of the start-up delay in  
5 hiring those procurement administrators.

6                   So the bull here is to get the lowest  
7 price possible. And if we were given something that  
8 we felt we needed to get an alternative methodology  
9 on, we would not have that time. I think it is just  
10 something that we should be thinking about at the  
11 Commission and how to improve the process. I think  
12 we have all struggled with the kind of starts and  
13 stops and things that have been occasioned from this  
14 process.

15           ACTING COMMISSIONER COLGAN: Well, I would have  
16 to agree with that. You know, it's my second time  
17 through here and it seems like it is always the same  
18 situation. You get something, you get it the day  
19 before or maybe two days before, and you have no time  
20 for mature reflection on the issues nor if you are  
21 going to make -- you know, if you are going to make  
22 an adjustment to it, the complicated calculations

1     that would need to be factored in, in this very short  
2     window period of time, is really prohibitive.

3                     And maybe it is in our interest to  
4     think about do we have any recourse. Certainly we  
5     can have a communication with somebody about this.

6             COMMISSIONER ELLIOTT: That's what I was  
7     thinking. Just sending a letter.

8             ACTING COMMISSIONER COLGAN: And I am wondering  
9     who we would send the letter to. Is it the governor?  
10    I guess it is an agency of the state under the  
11    auspices of the governor's office, and maybe just say  
12    here is the situation. And not file it so much as a  
13    complaint, as a concern, that we are required by  
14    statute to review this and approve these  
15    administrators, you know, and their proposals, but we  
16    don't really have the kind of time frame, especially  
17    when we don't know who they are going to be, before  
18    it is already on us.

19            MR. ZURASKI: If I could just make one further  
20    comment, sort of one thing in defense of the IPA, the  
21    agency has indicated that they actually attempted to  
22    start the process, I want to say, November. I think

1     it was November. And that the delay until March was  
2     basically due to some initial misunderstandings  
3     relative to, what's it called, the Ethics Commission,  
4     whether they had jurisdiction over this hiring of  
5     procurement administrators. So he was kind of  
6     waiting for a ruling from them before he moved  
7     forward and that took all the way until February.

8             COMMISSIONER O'CONNELL-DIAZ: Well, I think we  
9     are all cognizant of the fact that -- and I am not  
10    saying this against IPA. But the bottom line is  
11    there is no opportunity for us to, if we chose to  
12    reject these, to do something else. And all of this  
13    other -- and I don't mean to say that it is nonsense,  
14    but that is work that should have been taken care of.

15             And I am not casting aspersions on the  
16    staff people or the procurement administrators, but  
17    the process. There is a problem with the process.  
18    We are not getting stuff in the timely way that it  
19    is, I think, anticipated that we would get and the  
20    business-like way. And the bottom line is that we  
21    are in charge of approving these numbers that our  
22    consumers are going to be paying. And in our

1 judgment call, if we say we don't like it, we don't  
2 have time to run another procurement benchmark  
3 process because things are not taken care of at the  
4 front end in a timely and business-like fashion.  
5 This is business and it is the consumers' business  
6 and it is the Commission's business when we have to  
7 vote on it.

8 And these other things that are  
9 happening that are administrative in and of this  
10 other agency, I mean, it is beyond unacceptable. So  
11 and, you know, it is a shirt that we will wear  
12 because we end up approving this, so.

13 COMMISSIONER FORD: My suggestion would be,  
14 Chairman, that you could send a letter and ask that  
15 we get this in a timely fashion, realizing all of the  
16 other issues that have occurred. But for our next  
17 auction, that we would hope that it would be done in  
18 a timely fashion.

19 CHAIRMAN SCOTT: Is there any objections to  
20 that?

21 ACTING COMMISSIONER COLGAN: No.

22 COMMISSIONER ELLIOTT: I would consider that.



1           CHAIRMAN SCOTT: Thank you. We actually still  
2   have a motion on the floor to approve the benchmarks.  
3   Is there a second?  
4           COMMISSIONER ELLIOTT: Second.  
5           CHAIRMAN SCOTT: It's been moved and seconded.  
6   All in favor say aye.  
7           COMMISSIONERS: Aye.  
8           CHAIRMAN SCOTT: Any opposed say nay.  
9                                (No response.)  
10                           The vote is five to nothing and the  
11   Ameren capacity auction price benchmarks are  
12   approved.  
13                           Judge Wallace, are there any other  
14   matter for our consideration?  
15           JUDGE WALLACE: No, Mr. Chairman.  
16           CHAIRMAN SCOTT: Thank you very much. Hearing  
17   none, this meeting stands adjourned.  
18                           MEETING ADJOURNED  
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